



Taylor Shellfish Damages Claim Q&A

Q: Who's involved in this damages claim?

A: The damages claim is being filed by Taylor Shellfish and Helen Senff against the Washington State Department of Natural Resources (DNR).

Q: How has Taylor Shellfish and Helen Senff been damaged?

A: Taylor Shellfish and Helen Senff have been damaged by DNR's claim of ownership to disputed property in Totten Inlet. As a result of DNR's claim of ownership, Taylor and Senff have been restricted from use of the property and not allowed to farm, plant or harvest their product.

Q: What is the amount of the damages?

A: The amount of damages is estimated to be \$4,501,118. These damages include approximately \$4,431,824 in missed revenue from grounds not planted (geoduck) in 2008, \$31,597 for product left in the ground (Virginicas and Pacifics), and \$37,697 in labor costs. We anticipate that the amount of the damages claim will increase as we gather more information about the extent of the damages.

Q: How is this damages claim related to other legal actions taken by Taylor Shellfish in this dispute?

A: DNR Commissioner Goldmark's decision not to honor the signed settlement agreement between Taylor Shellfish and DNR has forced the company to take legal action, including filing a claim for damages against DNR.

Q: Could this have been avoided?

A: Yes, Taylor Shellfish and DNR agreed to a settlement of the dispute on January 12th, 2009. Taylor agreed to the settlement to avoid a legal battle with DNR. If Commissioner Goldmark had honored that signed settlement agreement, Taylor would have given up

its claims of ownership to the disputed property, paid DNR \$1.3 million dollars and, in return, would have been allowed to harvest its existing product in the ground.

Q: What were the terms of the signed settlement agreement?

A: Under the settlement signed by Commissioner Sutherland on January 12th Taylor agreed to forfeit its ownership claims to the property if DNR decided, in compliance with all applicable statutes, to lease 21 acres to Taylor for five years to allow them to harvest the crops Taylor had planted on the land. In addition, Taylor agreed to:

- Pay \$480,838 back rent plus leasehold excise tax, interest and \$53,241 of staff time reimbursement totaling \$629,762;
- Pay \$200,000 to the Geoduck Aquaculture Research Account for Washington Sea Grant to conduct research of geoduck aquaculture practices at the site bringing the total to \$829,762.
- Pay an estimated \$500,000 in additional rent over the course of the next five years.

This settlement fully compensated DNR for all back rent allowable under the law, plus interest, plus staff time, plus \$200,000 toward continued geoduck research by Sea Grant.

Q: What are the next steps in this process?

A: Once the administrative claim for damages has been filed with DNR, the agency has 60 days to process the claim. If DNR either denies the claim or doesn't take action, the damages claim will be added to the Taylor Shellfish state lawsuit asserting ownership of the disputed property in Totten Inlet.

Taylor Shellfish is a fifth-generation, family owned business. The company is headquartered in Shelton, Washington. Taylor Shellfish is the largest producer of farmed shellfish on the West Coast and provides 500 family-wage jobs. Shellfish farming contributes to a clean and healthy Puget Sound. *Taylor Shellfish — good for the economy AND good for the environment.* www.taylorshellfish.com